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By Jerome Edwards
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Bank Crowd



Photograph by Ronald M. James.

The Bank of California established its Virginia City presence in 1864 in this building. Its monopoly controlled the mining district for the rest of the decade. Mount Davidson, formerly Sun Mountain, rises 1,600 feet in the background.

"The Bank Crowd" refers to the group of entrepreneurs who dominated the economic life of the Comstock from 1867 to 1875. The name refers to the Bank of California, which was opened in San Francisco, on June 5, 1864, by William C. Ralston and Darius Ogden Mills. Ralston and Mills in November 1864 established a branch in Virginia City, with William Sharon named as manager.

In the next several years, the Bank gained economic dominance on the Comstock. Amply funded, Sharon was able to offer loans at two percent interest per month, instead of the usual four or five percent. The collateral demanded was the borrower's mines and mills. This was a time of *barrasca*, or declining expectations, for the Comstock, as mining production for the district in 1869 was less than half of what it had been in 1864, and new major ore finds were not readily apparent. The upshot was that in this time of declining activity, the Bank collected the collateral. It acquired mines and by 1867, possessed seven mills, which it organized as the Union Mill and Mining Co. By 1869, it had seventeen mills. In short, the Bank used its adequate capitalization to take over under-funded and struggling competitors very cheaply. It was a daring gamble on the part of the Bank Crowd, a gamble based on an underlying optimism about the town's future.

To lower costs, the Bank Crowd built the Virginia and Truckee Railroad, which drastically reduced freight charges into and out of Virginia City. They also purchased 50,000 acres of timber in the Tahoe Basin, forming the Carson and Tahoe Lumber and Fluming Co. to finish and transport lumber to the Comstock for square-set timbering and other construction. They organized the Virginia and Gold Hill Water Company to set up a water system for the community.

The Bank Crowd, and particularly William Sharon, were often criticized for their ruthless tactics. They fought Adolph Sutro and the plans for his Tunnel, fearing an alternate method of transportation out of the mines. Their first major setback was when John P. Jones, later a United States Senator, and Alvinza Hayward, an erstwhile associate of the Bank group, seized control of the Crown Point Mine from Sharon. In return, however, Sharon got the Belcher Mine, which turned out to be the Bank Crowd's most profitable mine, earning \$13,407,200 for its owners over the years.